

Waverley Borough Council

Report to: Audit and Risk Committee

Date: 27th November 2023

Ward(s) affected: All

Report of Director: Ian Doyle, Transformation & Governance

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Report Status: Open

Progress on the implementation of Agreed Internal Audit Actions

1. Executive Summary

- 1.1 The Committee's Terms of Reference include provision for the Committee to monitor and comment on the progress made in the achievement of the Agreed Internal Audit Actions.
- 1.2 An update on the current position of the Agreed Internal Audit Actions is presented for the Audit and Risk Committee to note progress being made on their implementation.

2. Recommendation to Audit and Risk Committee

- 2.1 It is recommended that the Audit Committee considers the information contained in **Appendix 1** and, following discussion at the Audit and Risk Committee meeting identifies any action it wishes to be taken on the actions that are overdue.
- 2.2 It is recommended that the Audit and Risk Committee considers the Executive Head(s) of Service justification for a request for a change in the agreed target date for the Management Action (s) listed in **Appendix 2** and agree an appropriate implementation date(s).

3. Reason(s) for Recommendations:

- 3 To enable the Audit and Risk Committee to be informed of the status of agreed audit actions accepted by the Executive Head(s) of Service but not yet implemented or insufficient progress made to implement by the agreed target date, enabling the Committee to be aware of the current position of the audit actions.

4. Purpose of Report

- 4.1 To inform the Audit and Risk Committee of Senior Management's progress in implementing the agreed actions raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the original agreed implementation date.

5. Strategic Priorities

- 5.1 A financially sound Waverley, with infrastructure and services fit for the future.
- 5.2 The report will also enable Committee to consider the Executive Head(s) of Service justification for a request for a change in the agreed target date for the Management Actions (s) listed in Appendix 2 and agree appropriate implementation date(s) where appropriate and as required.

6. Background

6.1 This report provides the Audit and Risk Committee with the latest position regarding the implementation of Internal Audit agreed audit actions.

7. Consultations

7.1 Consultation with Executive Heads of Service and the Joint Management Team were completed re the content of this report and the results.

8. Key Risks

8.1 If the authority did not monitor the achievement of the agreed audit actions this could leave the Council vulnerable to the risks identified in each audit action.

9. Financial Implications

9.1 Internal Audit work helps management to ensure that internal controls are in place to minimise the risk of loss, including financial, to the Council.

10. Legal Implications

10.1 Pursuant to the Accounts and Audit (England) Regulations 2015, a relevant authority must, amongst other matters, ensure that it has a sound system of internal control which:

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk.

10.2 A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

10.3 This report provides members of the Audit and Risk Committee with an in-year update of the status of the Council's Internal Audit Actions.

11. Human Resource Implications

11.1 Within existing resources.

12. Equality and Diversity Implications

12.1 There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

13. Climate Change/Sustainability Implications

13.1 There are no direct implications in the report.

14. Conclusion

14.1 The contents of the report informs the Audit and Risk Committee of the status of Agreed Internal Audit Actions that are required to improve Waverley Borough Council's governance and control environment.

15. Background Papers

15.1 There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

16. Appendices

16.1 Appendix 1 – Internal Audit Agreed Actions due for implementation by 30 November 2023.

16.2 Appendix 2 – Internal Audit Actions request for an extension.

17. Governance Journey

17.1 The minutes of the meeting will be included on the next Council agenda.

Service	Sign off date
Finance / S.151 Officer (Rosie Plaistowe Melham)	07/11/2023
Legal / Governance (Mark Watkins)	15/11/2023
HR (Jon Formby)	09/11/2023
Strategic Director (Ian Doyle)	09/11/2023
Equalities	
Lead Councillor	N/A
CMB	
Executive Briefing/Liaison	N/A
Committee Services	

APPENDIX 1 SUMMARY

Summary of actions requiring attention and/or request for extension

No	RAG	Area of Review	Ref	Topic	Description	Due Date	Status	Extension Request
1.	■	Cyber Security	IA23.06.010.1	Out of Hours Service	Take a paper to CMB around IT out of hours service.	30/09/2023	●	29 Feb 2024
2.	■	Freedom of Information	IA22/SP/04.003.1	Training	<p>Training should be provided to those that are or may become involved in FOI requests.</p> <p>i. This should include assessing the quantity and/or difficulties in obtaining the information.</p> <p>ii. WBC obligations and implications of not responding to FOI requests within the set timeframes set by the ICO.</p> <p>iii. Officers that are tasked with completing an internal review of a request to ensure that they have sufficient knowledge and skills to complete this task.</p> <p>iv. Further training to be provided to the Information Rights Co-ordinator to obtain indepth knowledge, particularly if the current structure remains.</p> <p>v. Training and awareness should be provided to all staff.</p>	30/09/2023	●	31 Dec 2023
3.	■	Freedom of Information	IA22/SP/04.003.1	Backup Cover	Sufficient back up cover is in place to maintain the service provision, if the IRC	30/09/2023	●	31 Dec 2023

APPENDIX 1 SUMMARY

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Agreed Internal Audit Actions overdue or due by 30 November 2023



Generated on: 16 November 2023

Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

Head of Service Haymes, Nicola



IA23/06.010.1 Out of Hours Service						
Action Code & Description	We enquired what processes are in place to handle cyber security alerts that are received outside of normal working hours (Mon-Thurs: 08:45-17:15 & Fri 08:45 - 16:45). It was explained that there is no out of hours service; any alerts that occur outside of working hours will be reviewed the following working day. However, our contacts do check their work emails outside of work hours and gave us examples of how they have previously dealt with incidents involving the Citrix Netscaler and Ransomcare alerts that had occurred outside of normal working hours.				Exit Meeting Date	26-Apr-2023
					Due Date	30-Sep-2023
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/06 Cyber Security					
Agreed Action	Take a paper to CMB around IT out of hours service.					
Status		Overdue	Progress	0%	Head of Service	Nicola Haymes
All Notes	Further discussion has identified that this paper has wider implications than just IT out of hours as it could set a precedent for arrangements in other areas. It requires input from colleagues in various departments including HR and Finance. Due to the requirements of this we would request further time to take this paper to CMB. Requested extension – 29 th Feb 2024.					10-Nov-2023
	On target to be on the CMB Agenda. (LF 23/07/2023)					24-Jul-2023

Head of Service Sale, Susan

Action Code & Description	IA22/SP/04.003.1 Training					
	Levels of training provided to those involved in the administration of FOI is inconsistent with the roles that they fulfil.				Exit Meeting Date	03-May-2022
					Due Date	30-Sep-2023
Risk Level	High Priority				Risk RAG	■
Audit Report Code and Description	IA22/SP/04 Freedom of Information (FOI)					
Agreed Action	<p>Training should be provided to those that are or may become involved in FOI requests.</p> <p>i. This should include assessing the quantity and/or difficulties in obtaining the information.</p> <p>ii. WBC obligations and implications of not responding to FOI requests within the set timeframes set by the ICO.</p> <p>iii. Officers that are tasked with completing an internal review of a request to ensure that they have sufficient knowledge and skills to complete this task.</p> <p>iv. Further training to be provided to the Information Rights Co-ordinator to obtain indepth knowledge, particularly if the current structure remains.</p> <p>v. Training and awareness should be provided to all staff.</p>					
Status	●	Overdue	Progress	50%	Head of Service	Susan Sale
All Notes	Training provider identified and dates offered. Request extension 31st December 2023 due to delays in response by training provider.					14-Nov-2023
	Ongoing. IRC is available should any queries arise however formal training is yet to be implemented. IRC is liaising with Surrey colleagues to establish if they carry out any training and how. IRC has also spoken with HR to understand how this could be implemented (SC 11/08/2023)					11-Aug-2023
	Extension Agreed by Audit Committee on 13 March 2023 to 30 September 2023.					14-Mar-2023
	Currently seeking guidance on best practice training from other district and borough's.					17-Feb-2023

Action Code & Description	IA22/SP/04.007.3 Backup cover					
	Backup cover arrangements were unclear to ensure consistency of application to meet target timeframes.				Exit Meeting Date	03-May-2022
					Due Date	30-Sep-2023
Risk Level	Medium Priority				Risk RAG	■
Audit Report Code and Description	IA22/SP/04 Freedom of Information (FOI)					
Agreed Action	Sufficient back up cover is in place to maintain the service provision, if the IRC were to be unavailable.					
Status	●	Overdue	Progress	25%	Head of Service	Susan Sale
All Notes	Growth bid to be submitted to Executive 28th November 2023 to finance cover identified. CVs of interim candidates received in anticipation and recruitment agencies approached. Request extension 31st December 2023 as funding not yet agreed.					14-Nov-2023
	Ongoing due to staff changes. Admin assistant covers logging of requests if the IRC is away. (SC110823)					11-Aug-2023
	Extension Agreed by Audit Committee on 13 March 2023 to 30 September 2023.					14-Mar-2023
	Some cover is in place to cover basics whilst on A/L extension requested. (NH 170223)					17-Feb-2023

Head of Service Smith, Andrew

IA23/08.001.3 Local Policy						
Action Code & Description	Housing legislation is complex and sets out the rights of housing tenants; the authority must therefore be careful when giving an occupier the status of "tenant" as this brings with it certain ongoing obligations. Errors made during this process could result in financial and reputational damage.				Exit Meeting Date	26-May-2023
	Although the housing policy is set at a legislative level, "Use and Occupation" Accounts is a local practice. However, there is no local policy around Use and Occupation accounts. There is also no specific procedure documentation. Our audit testing identified that lack of guidance has contributed towards delays within the tenancy application process.				Due Date	31-Oct-2023
	We also identified that there was some confusion with terminology, for example we were advised by the Housing Manager, that "deposits", were taken at the start of the occupancy term, however these are not deposits but are in fact rent payments in advance. The Rents Accounts Manager confirmed that this had caused confusion with occupiers in the past. The Council website has an application form for occupiers wishing to apply for tenancy status, which does set out a process. However, our testing found no evidence that these application forms were in use, none had been saved on the Orchard records we tested within our sample and the Housing Manager advised that applications were generally managed in person, via email, or via postal exchange, and were not aware that the application form was available.					
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/08 Use and Occupation Accounts					
Agreed Action	Draft local policy as add-on to Succession. To be drafted with Service Improvement team. Training to be provided to team. Timescales to be clearly noted. Monthly review of cases to be carried out by HM/SHO.					
Status		Check Progress	Progress	40%	Head of Service	Andrew Smith
	Policy and procedure drafted and shared with team November 2023. Policy to be agreed by Executive Head of Service in consultation with Portfolio Holder for Housing. Policy due shared with LSAB in January for comment before formal adoption.					09-Nov-2023
All Notes	CIH Good Practice reviewed. Meeting with SIT on 10 October 2023.					05-Oct-2023
	Extension requested to 31 October 2023 approved by Audit Committee on 11 September 2023.					12-Sep-2023
	Initial conversation with SIT, request extended timescale to be completed end Oct.					04-Aug-2023

Requests for extension/s to previously agreed actions date/s

Recommendation Ref No/s	IA23/06.010.1 Out of Hours Service
Justification for an extension	Further discussion has identified that this paper has wider implications than just IT out of hours as it could set a precedent for arrangements in other areas. It requires input from colleagues in various departments including HR and Finance. Due to the requirements of this we would request further time to take this paper to CMB. Requested extension – 29 th Feb 2024.
Joint Executive Head of	Nicola Haymes

Recommendation Ref No/s	IA22/SP/04.003.1 Training
Justification for an extension	Training provider identified and dates offered. Request extension 31st December 2023 due to delays in response by training provider.
Joint Executive Head of Legal and Democratic Services	Susan Sale

Recommendation Ref No/s	IA22/SP/04.007.3 Back up Cover
Justification for an extension	Growth bid to be submitted to Executive 28th November 2023 to finance cover identified. CVs of interim candidates received in anticipation and recruitment agencies approached. Request extension 31st December 2023 as funding not yet agreed.
Joint Executive Head of Legal and Democratic Services	Susan Sale